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DE RUEHBE #0844 2692008
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FM AMEMBASSY BELIZE
TO RUEHC/SECSTATE WASHDC 0516
INFO RUEATRS/DEPT OF TREASURY WASHDC
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
RUCNCOM/EC CARICOM COLLECTIVE
RUEHME/AMEMBASSY MEXICO 2575
RUEHBJ/AMEMBASSY BEIJING 0070
RUEHBU/AMEMBASSY BUENOS AIRES 0009
RUEHBO/AMEMBASSY BOGOTA 0436
RUEHMD/AMEMBASSY MADRID 0071

UNCLAS BELIZE 000844

SIPDIS

SIPDIS

DEPT FOR WHA/CEN (MACK)
TREASURY FOR IA/WHA (LEVINE)

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [BH](#)

SUBJECT: BELIZE JOINS CENTRAL AMERICAN BANK FOR ECONOMIC
INTEGRATION

REF: Belize 694

¶1. On September 25, local media reported that the GoB - in an effort to access more capital from foreign sources - indicated its intent to join the Central American Bank for Economic Integration (CABEI). With over \$4.5 billion in assets and an additional \$5 billion in cash available to its member countries, CABEI's mission is to reduce poverty, promote globalization, and encourage economic, commercial, and financial integration in Central America. (Note: all figures are in U.S. dollars. End note).

¶2. During a televised interview, Prime Minister and Minister of Finance Said Musa stated that Belize was joining CABEI at a time when the country is "focused on macroeconomic stability while trying to increase the levels of social investment in Belize." Musa envisions that CABEI funds will be used to develop projects according to the bank's goals.

¶3. According to its constitution, in order to join CABEI and access its capital, prospective members must first purchase shares of the bank priced at a nominal value of \$10,000 per share. The paid-in portion of a prospective member's purchased shares must be paid in U.S. dollars, in four annual, equal, and consecutive payments. The callable portion shall be payable on demand at any time to meet the bank's obligations. Local media reports that the current subscription fee of \$25 million was reduced by 25 percent to \$6,250,000 for the GoB, with the first installment of \$1,562,000 due in 30 days. The remaining 75 percent - or \$18.75 million - is callable and represents the maximum funding the GoB can request from CABEI.

¶4. CABEI was founded in 1960 by Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica and claims to be the largest financial institution in Central America. During its 46-year existence, the bank has been involved with rural and small business development, built relationships with other international financial institutions (e.g., the World Bank, the Inter American Development Bank), and worked to harmonize banking regulations in the region. In 1989, the founding member countries amended CABEI's constitution to allow for the participation of countries outside of Central America. Since then, Mexico, China, Argentina, Colombia, and Spain have become non-regional members.

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